# Paid Sick Days: Low Cost, High Reward for Workers, Employers and Communities

#### **NOVEMBER 2015**

Millions of people in 24 jurisdictions in the United States are or will soon be legally guaranteed the right to earn paid sick days they can use to recover from illness or care for family members. Paid sick days keep families financially secure, workplaces and communities healthy, and businesses and the economy strong. A growing body of evidence from the longest-standing laws shows **paid sick days make business and economic sense.** 

### San Francisco

San Francisco's groundbreaking Paid Sick Leave Ordinance took effect on February 5, 2007, covering all workers in the city and extending access to approximately 59,000 workers who previously did not have paid sick time. Three years after the law's implementation, more than **70 percent of employers reported no impact on profitability** (another 15 percent said they didn't know) and **two-thirds of employers expressed support for the law.** Although workers can earn up to nine paid sick days, the typical worker used only three, and reports of abuse were exceptionally rare. San Francisco's economy

The impact of San Francisco's law on employers? "Minimal.... By and large, this has not been an employer issue. San Francisco's economy is booming."

— Jim Lazarus, senior vice president for policy, San Francisco Chamber of Commerce, *New York Times* (January 27, 2014)

has continued to grow since the law's implementation, with higher rates of job and business growth than neighboring counties, including in the sectors most affected by the law, such as accommodation and food service.<sup>3</sup> In 2011, PricewaterhouseCoopers named San Francisco the **third best city for opportunity in the world.**<sup>4</sup>

## Washington, D.C.

The District of Columbia's Accrued Sick and Safe Leave Act of 2008 took effect on May 13, 2008, extending paid sick days access to 220,000 private sector workers who previously did not have paid sick time. A 2013 audit by the Office of the District of Columbia Auditor found no evidence that the law prompted businesses to leave the city or discouraged employers from establishing new businesses in it. In 2013, the D.C. City Council expanded the original law to cover tipped restaurant and bar workers — an additional 20,000 workers who are likely to be both low-wage and without access to paid sick days — and to allow all workers to begin accruing paid sick time earlier in their job tenures.



### Connecticut

Connecticut was the first state to enact a paid sick days law. It took effect on January 1, 2012, extending paid sick days access to approximately 200,000 workers who previously did not have paid sick time, particularly those with the highest rates of contact with the public but lowest rates of access to paid sick time. A survey of employers found that the law has had a minimal impact on costs, and few employers have made adjustments such as increasing prices or reducing employee hours because of it. Employers identified several positive effects of paid sick days, including improved employee productivity and morale, and more than three-quarters expressed support for the law. Further, data from the state's Department of Labor show job growth across industries since the law's implementation, including in the most affected industry – leisure and hospitality.

#### Seattle

Seattle's Paid Sick and Safe Time Ordinance took effect on September 1, 2012, covering nearly all workers in the city and extending coverage to approximately 150,000 workers who previously did not have access to paid sick time. Research prepared for the Office of the City Auditor by the University of Washington found that the number of firms, the number of Seattle employees, and total wages in the city increased, and employer growth was significantly stronger in Seattle than in Bellevue, Everett and Tacoma combined in the year following the ordinance's implementation, controlling for factors such as seasonal variation. Nearly 70 percent of employers say they experienced no administrative difficulties with implementation and 70 percent of employers say they support the law. And a small business association study released a year after the law was implemented found no evidence that the law had a negative impact on the economy.

## Jersey City

The Jersey City Earned Sick Time Ordinance took effect on January 24, 2014, covering nearly 40,000 workers who previously did not have paid sick time. A report issued by Rutgers' Center for Women and Work found that one year after the law took effect, 80 percent of businesses were providing earned sick days and 62 percent of businesses did not need to change their policies to adhere to the law. Businesses that did change their policies reported significant benefits, including a reduction in the number of sick employees coming to work, an increase in productivity, an improvement in the quality of new hires and a reduction in employee turnover. Jersey City is now one of nine New Jersey cities that have adopted paid sick days laws. Newark's law took effect in 2014. The others have taken or will take effect in 2015.

## **New York City**

New York City's Earned Sick Time Act took effect on April 1, 2014, covering approximately 1,200,000 workers who previously did not have paid sick time. <sup>17</sup> A report from the New York Department of Consumer Affairs (DCA) found that New York City's economy thrived

in the first year since the law's implementation. The number of businesses in the city grew and consumer prices fell. New York City's unemployment rate was the lowest it had been in six years, labor force participation was the highest on record and private sector employment grew 3.3 percent, adding 112,300 jobs. Job growth in the industries that historically did not provide paid sick time – arts, entertainment and recreation, retail trade, accommodation and food services, construction and administration, support and waste services – also remained strong, rising an average of 3.1 percent.<sup>18</sup>

#### More Positive Evidence on the Horizon

Four states, the District of Columbia and 19 localities have or will soon have paid sick days laws in place. 19 These and future laws will add to the growing body of evidence showing that paid sick days are good for all – and that a national standard is needed.

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The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care and policies that help women and men meet the dual demands of work and family. More information is available at NationalPartnership.org

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